Information for e-Invoice Suppliers regarding the upcoming GST Rate Change

The new GST Rate rule requires you to invoice us with the correct GST Rate according to the "Time of Supply". For goods supplied to Foodstuffs, the Time of Supply is the "Invoice Date".

Suppliers who provide electronic invoices via the Foodstuffs eXchange (FSX) must provide the correct GST Rate according to the Invoice Date.

- Goods and services received in September must have an Invoice Date in September, and use the 12.5% GST Rate.
- Goods and services ordered in September and received/invoiced in October must have an October Invoice Date and use the 15% GST Rate.
- Goods and services ordered and received/invoiced in October must have an October Invoice Date and use the 15% GST Rate.
- Credit Notes have slightly different requirements, these are outlined below.

Web-Generated Invoices

For suppliers who generate their e-invoices on the FSX Website (Web Only Suppliers), the FSX system will automatically select the correct GST Rate over the transition period, based on the Invoice Date. Web Invoices always use the date of invoice generation to select the invoice date, and this is not editable once the invoice is created.

Our requirement is:

All September invoices must be generated and saved on or before 30 September 2010.
Once you have generated your September invoices on the FSX website, you can continue to update the invoice details, including all product and price information, after this date and the GST Rate will remain at 12.5% for transactions created on or before 30 September.

October invoices must not be generated before 1 October 2010.
This will ensure the correct 15% GST Rate is selected. Please refer to our Web User Manual for details on invoicing orders that have been Confirmed and Archived prior to this date.

Note: If you currently receive Purchase Orders via the FSX website, but provide your invoices on paper to Foodstuffs for processing, please continue to do this using the correct GST Rate according to the Invoice Date / Time of Supply.

B2B Invoices

For suppliers who submit their invoices via B2B directly from your back office systems (B2B Suppliers), you must ensure that the Invoice Date and GST Rate are correct within each file you submit:

- **Invoice Date on or before 30 September 2010: GST Rate must be 12.5%**
- **Invoice Date on or after 1 October 2010: GST Rate must be 15%**

For Invoice XML batches, the GST Rate is set at the supplier level. We recommend the following procedure to ensure you submit your invoices with the correct GST Rate:

- Create a batch containing all transactions up to and including 30 September 2010, with the GST Rate at 12.5%.
- October transactions should be in a separate batch with the GST Rate at 15%.
- Please note that you may need to create extra batches during the transition period, in order to separate September and October transactions. You may need to contact your software vendor for assistance with this.

The FSX system will validate that you have provided the correct GST Rate according to the Invoice Date in each transaction. Invoices that fail this validation will be emailed to the contact email on the Trading Partners section of the FSX website, with a request to recompose and resubmit the invoice. Please note that the FSX system will accept September dated transactions submitted in October, and vice versa, providing the GST Rate and Invoice Date are correct.

B2B Credit Notes

For Credit Notes relating to claims or supply prior to 1 October, which are dated in October, the GST rate should be 12.5%.

> i.e. if your original invoice was dated in September, and we have requested a credit which you process in October, use the original GST Rate that applied to your invoice.

Credit Notes relating to claims or supply from 1 October onwards should use the 15% GST Rate. If the original time of supply is not known, use the credit claim date to determine Time of Supply and the applicable GST Rate.

The FSX system will apply validation to credit notes to check that unless the transaction is marked GST Exempt, the GST Rate must be either 12.5% or 15%. This value will not be validated against the Invoice Date, as we expect most credits raised in October to relate to goods originally invoiced prior to the change in GST Rate. After a period of 3-4 months, we will modify the FSX Credit Note validation so that it validates in the same manner as invoices, described above.

For batch transactions, we recommend that you separate Credit Notes from Invoices to ensure the correct GST Rate is applied to each type of transaction.

Further Information

If you have any questions relating to e-invoices via the FSX and the new GST Rate, please contact your local eCommerce team. Their contact details are on the FSX Website: www.foodstuffs-exchange.co.nz